



# Market Report

A Snapshot of your Market Sector

## Sandwich Bar

This pack has been designed to provide information on setting up a business in the Sandwich Bar industry in Scotland, as well as helping to inform the market research section of your business plan. You can find more information on how to write a business plan from the Business Gateway website ([www.bgateway.com/businessplan](http://www.bgateway.com/businessplan)), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in October 2018. If you find the information contained in this document useful, tell us about it! Send us feedback [here](#); we will use your comments to help improve our service.

## What do I need to know about the Sandwich Bar market?

The following summary statistics have been taken from market research reports and reliable resources that the Information Service uses to compile industry information. They should give you an indication of how your industry is faring at present and whether there is demand for your type of business:

- ◆ 22% of lunch consumers have visited sandwich/bakery shops for lunch out of home in the three months to April 2018, rising to 26% of 16-44-year-olds (versus 19% of over-45s). Sandwiches/wraps (45%) lead in terms of the food item that lunch consumers bought most in the three months to April 2018. (Mintel, *Attitudes Towards Lunch Out-of-Home*, June 2018).
- ◆ The industry has performed relatively well over the past five years. The consumer preference for cheaper, on-the-go food has persisted despite the improving consumer backdrop of the past five years. Revenue is **expected to grow at a compound annual rate of 0.9% over the five years through 2018-19 to reach £18.2 billion**, including growth of 1.1% in the current year. Industry revenue is forecast to **increase at a compound annual rate of 1.8% over the five years through 2023-24 to reach £19.9 billion**. (IBISWorld, *Takeaway and Fast-Food Restaurants in the UK*, April 2018).
- ◆ Over the past five years, cafes and coffee shops have improved and expanded their food offerings, providing consumers with additional choice to diversify revenue streams. Many outlets have gone beyond cold sandwiches and snacks to offer salads and hot lunches to their customers, as well as more niche foods (IBISWorld, *Cafes and Coffee Shops in the UK*, July 2018).
- ◆ Pre-packed sandwiches is the largest segment of the savoury and deli foods market in the United Kingdom, **accounting for 65.9% of the market's total value**. The market **grew by 2.1% in 2017 to reach a value of \$13,625.7 million**. In 2022, the market is forecast to have a value of \$15,680.5 million, an increase of 15.1% since 2017 (MarketLine, *Savoury and Deli Food in the United Kingdom*, September 2018).
- ◆ The national organisation for this industry is include [The British Sandwich Association](#). Other industry bodies include the [British Hospitality Association](#), [Scotland Food and Drink](#), the [Scottish Food and Drink Association](#) and the [Café Life Association](#)



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## Where can I find more information on my market?

The Information Service has access to a number of databases which can offer more detail on this industry. Some of these reports are listed below - if you would like to be sent extracts from any of these reports, please contact us on **0300 013 4753** or email [info@bgateway.com](mailto:info@bgateway.com).

- ◆ **Mintel – Attitudes Towards Lunch Out-of-Home (June 2018)** Consumers are drawn to the convenience and accessibility of high-quality food-to-go that most sandwich shops and bakeries offer. Sandwich shop consumers also consider the high quality of food (60%), convenient location (53%) and quick customer service (34%) as important factors when choosing places to eat for lunch. Meanwhile, specialist sandwich/bakery shops are looking to differentiate themselves from supermarkets by offering hot menu options, such as Greggs' Katsu Chicken Wrap and Ham and Cheese Toastie. These options should help these shops to appeal to the 66% of lunch consumers who say that they tend to choose a hot option for lunch.
- ◆ **Mintel – Bread – UK (September 2018)** Sandwiches/wraps are the most popular choice when eating lunch OOH demonstrates how Britain remains a nation of sandwich eaters, but also signals the significant competition that prepared sandwiches pose to bread products. The desire for hot food in the OOH context adds to the challenge faced by bread: 66% of those who have eaten lunch OOH say they choose a hot option for lunch. This means the packed lunch sandwich is competing with more exciting options such as pizza, burritos, curry and soup.
- ◆ **IBISWorld – Takeaway and Fast-food Restaurants in the UK (April 2018)** The growing number of health-conscious consumers is likely to continue influencing the performance of the industry. Over the past five years, consumers have become more health aware, which has reduced demand for high-calorie fast food. While this has spurred some operators to introducing healthier options, the wider industry has suffered as consumers have turned away from high calorie foods. Health consciousness is expected to continue to increase during 2018.

There are also a number of online resources you may find helpful:

- ◆ **The Independent – How the humble sandwich has stood the test of time – May 2018** ([tinyurl.com/ydbnr2ym](http://tinyurl.com/ydbnr2ym)). This article looks at how sandwiches have remained popular – and not just at lunchtimes, with the British sandwich market valued at £5.5bn last year.
- ◆ **Alliance Online - A few changes in today's Sandwich Market – March 2018** ([tinyurl.com/y7vfrqhw](http://tinyurl.com/y7vfrqhw)). Baguettes can be just as versatile whilst not being as hefty, resulting in less mess even with large amounts of filling. Although baguettes require two hands for a consumer to eat, their limited spacing compared to a sliced breaded sandwich allows for more accurate portion control.
- ◆ **Hospitality and Catering News - UK 'food-to-go' market up £2.5 billion – September 2018** ([tinyurl.com/y8o2bkxq](http://tinyurl.com/y8o2bkxq)). Consuming food and beverages on the premises where we make our purchase only represents 42% of the 11.3 billion OOH annual foodservice visits in Britain. Food-to-go represents around 48%, while delivery covers an extra 6% and drive thru' accounts for 4%.

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## How can I find out about my competitors?

Business Gateway's online guide to [Competitor Analysis](#) explains how to find your competitors, how to research what they're doing and how to act on what you learn about them.

Immediate competition will be from other businesses in your local area. There are several online directories which can be used to find company information and generate lists easily and at no expense. Many Local Authorities also publish local business directories on the web. Below are some key web resources:

- ◆ General business directories such as Yell, Thomson Local or Google Maps
- ◆ Trade specialists like EuroPages (European directory), The Wholesaler or Free Index
- ◆ Business to business (B2B) specialists such as Kompass

Likewise, your local Chamber of Commerce may publish a members' directory; find your local Chamber on the [Scottish Chambers](#) website.

Once you've identified who your competitors are, the next step is to gather information on the way they do business. Which services do they provide? How do they market themselves? How much do they charge?

To learn about your competitors:

- ◆ Look for articles or adverts in local newspapers, trade press and directories.
- ◆ Try to read their marketing material; if the company has an online presence, visit the company's website as a first port of call. Not only does it give you a better understanding of the company's activities, it can also offer a wealth of information such as a company history or staff biographies, as well as the company's partners or suppliers
- ◆ Search for information on limited UK companies via the Companies House website
- ◆ Gain an insight into your competitor's performance using credit checks and the accounts that limited companies are required to submit to Companies House each year.

We can provide credit checks free of charge; if you are interested in using this resource, or looking for us to help you find relevant publications, please contact us by emailing [info@bgateway.com](mailto:info@bgateway.com) or by calling **0300 013 4753**



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## What about suppliers?

[Choosing and Managing Suppliers](#) can help you decide what you need from a supplier, how to identify one and how to choose one to deal with.

Trade associations or industry specific organisations may also be able to recommend suppliers or contacts. You can also use the aforementioned resources for finding competitors to find suppliers.

Once you have decided on a supplier, we can run a credit check on the company to help assess their financial stability. We provide credit checks free of charge; if you are interested in using the resource please [info@bgateway.com](mailto:info@bgateway.com) or by calling **0300 013 4753**.

## Who are my customers?

Your business plan should include information about the customers you would expect. Business Gateway's guides on [Retaining and Grow Your Customer Base](#) ([tinyurl.com/c2fw4o4](http://tinyurl.com/c2fw4o4)) will help you to identify who your customers are, how to use this information to sell more effectively and how to actively compete in your marketplace.

It can be useful to group your customers by geographical location, age or lifestyle. The websites listed below are freely available and can provide most of this information. If you can't find what you're looking for from these website, please contact us and one of the team will be happy to help:

- ◆ Access the latest population estimates from the National Records of Scotland (NRS). NRS also offers demographic factsheets for each council area in Scotland, which can provide summary statistics for the area you will be based in.
- ◆ Information from the most recent census in 2011 is released via the official website. See in particular the Census Area Profiles. Clicking on your area of interest will give the latest population figures, including estimates by age.
- ◆ Understanding Scottish Places has interactive profiles of towns and cities across Scotland. It can be useful for understanding the interrelationships and flows between towns, and also gives comparisons between two or more places.
- ◆ Scottish Government Statistics provide accurate and up-to-date statistics on Scotland, covering population, health, education and housing.
- ◆ The Scottish Household Survey provides information on the structure, characteristics, attitudes and behaviour of Scottish households, both at a national and local level.
- ◆ Office for National Statistics (ONS) is the recognised national statistical body for the UK. ONS covers a wide range of demographic, economic and social issues at a UK level.

## How can you help me with other aspects of starting my business?

The Business Gateway website has guides, videos, online tutorials and tips on all aspects of starting up a business in Scotland. Follow the links below to explore each resource:

### Accountancy

Institute of Chartered Accountants of Scotland's (ICAS) "[Find a Chartered Account](#)" tool

### Funding

[Practical information](#) on finance and funding for starting and growing your business

### Insurance

[Business insurance guide](#)

### Legal Help

Gov.uk "[Licence Finder](#)" tool

Law Society of Scotland's "[Find a Solicitor](#)" tool

### Pricing

Business Companion [Pricing & payment guide](#).

**Please note:** the most effective way to research pricing is to conduct your own research – visit wholesalers or suppliers to obtain price lists, find quotes from similar companies and work out what other businesses in your area are charging

### Promotion

[BG guides to Marketing](#)

### Training

[Skills Development Scotland's My World of Work](#)

[Funding for training](#)

[Small Business Bonus Scheme \(Scotland\)](#)

Your local Business Gateway can offer events, workshops and 1:2:1 support on all aspects of starting and developing your business. Call the helpline on **0300 013 4753** to find out what is available in your area.

We hope you find this Market Report useful and we'd love to hear your feedback [here](#).

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**Updated by: Fiona Elliot**



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